

UTILITY BOARD/COMMON COUNCIL

Thursday, June 12, 2014

7:30 P.M.

The Common Council and Utility Board of the City of Huntingburg met in joint session at its regularly scheduled meeting time on Thursday, June 12, 2014 at the hour of 7:30 P.M. in the Council Chambers of the Huntingburg City Hall at 508 E. Fourth Street, Huntingburg, Indiana. Members Blackgrove, Kissling, McPherron, Summers and Lehr were present. Also present were Mayor Spinner and City Attorney Schneider.

Mayor Spinner called the meeting to order.

A motion was made by Kissling, seconded by McPherron and carried to approve the minutes of the May 22, 2014 meeting as presented.

A motion was made by Kissling, seconded by Lehr and carried to approve the claims as presented.

Mayor Spinner opened a discussion of moving the start time of the remaining 2014 Common Council/Utility Board meetings to an alternate time.

A motion was made by Lehr, seconded by McPherron and carried to set the start times for all remaining 2014 Common Council/Utility Board meetings to 7:00 P.M. from 7:30 P.M.

Safety Director Foerster presented a 2014 Employee Health Premium Increase considerations report for health insurance (Exhibit A). The proposal includes an increase effective July 1, 2014 with non-tobacco users receiving a reward of lesser premium increases.

A motion was made by Lehr, seconded by Blackgrove and carried to approve the 2014 employee healthcare costs as presented.

Foerster reported that the City was designated a Fit-Friendly Worksite by the American Heart Association for its employee health initiatives.

Police Chief Parks presented a list of recommended candidates that were tested and interviewed and who he feels are eligible candidates for the Huntingburg Police Department Reserve Program. The candidates are Alex Flores, Brent Duncan, David Mathias and Joseph Hopf (Exhibit B). The Mayor and Chief Parks recommend the listed candidates for Police Reserve Officers.

A motion was made by Blackgrove, seconded by McPherron and carried to accept the candidates on the list noted above as presented for Police Reserve Officers.

Water Superintendent Williams updated the Board on the painting and upgrading of the South water storage tank. Williams noted problems with the paint and presented a letter from Gary Ladd, of Ladd Engineering, to John Sullivan, Production Manager of Utility Service Co., Inc. (Exhibit C). Negotiations for the completion of the job continue. Williams indicated that the interior painting of the tank is complete and is reported in excellent condition but the paint on the outside of the tank has adherence problems. The original completion date was June 15, 2014, but with the problems, the completion date is now unknown. In order to get additional water pressure to the residents near the tank Williams and engineer, Gary Ladd, recommend going ahead and filling the tank and figure out a way to make the tank pressurized so when it is eventually partially drained again for completion of the exterior painting there will be some water pressure available.

A motion was made by Blackgrove, seconded by McPherron and carried to begin the process to pressurize the tank and continue negotiations to complete the job to the City's satisfaction.

City Attorney Schneider presented a settlement and release agreement for an overbilling of natural gas to Farbest Foods, Inc. over the past 38 months. The overbilling was the result of the billing system information for their gas meter containing a multiplier

of 1.324 when in fact the meter should have had no multiplier associated with it. The total overbilling was \$483,540.14. Energy Superintendent Reutepohler summarized the safeguards implemented, including having the multiplier, if any, be written on the meter change documentation instead of being verbal from the gas operation personnel to the utility billing office, so the likelihood of this happening again is minimized.

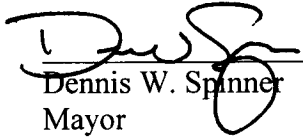
A motion was made by Kissling, seconded by Summers and carried to approve the settlement and release agreement in the amount of \$483,540.14 as presented.

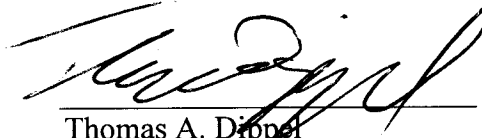
Attorney Schneider requested permission to attend the Indiana Municipal Lawyers Association two day seminar at a cost of \$325.00.

A motion was made by Lehr, seconded by McPherron and carried to approve Attorney Schneider attending the Indiana Municipal Lawyers Association annual seminar as noted above.

McPherron requested vendors interested in providing recycle services to the City be invited to a council meeting to discuss their proposals.

There being no further business before the Council, a motion was made by Kissling, seconded by Blackgrove and carried to adjourn the meeting at 8:24 o'clock P.M.


Dennis W. Spinner
Mayor


Thomas A. Dippel
Clerk-Treasurer

2014 Employee Health Premium Increase considerations									
WEEKLY INFORMATION					JULY INCREASE - NON TOBACCO USERS				



CITY OF HUNTINGBURG CC/UB meeting 6/12/14 7:30pm EXHIBIT B

HUNTINGBURG POLICE DEPARTMENT

ARTHUR W. PARKS
CHIEF OF POLICE

The following candidates have successfully passed the following examinations. They have passed the physical agilities, background investigation. They were tested on the voice stress analysis and a panel interview. We feel they are eligible candidates for the Huntingburg Police Department Reserve Program.

Alex K. Flores 304 S. Sycamore St. Huntingburg, IN.

Brent D. Duncan 6750 S. 585 West Huntingburg, IN.

David W. Mathias 406 S. Geiger St. Huntingburg, IN.

Joseph Allan Hopf 2251 S. Newton St. Jasper, IN.

503 East First Street, P.O. Box 10, Huntingburg, IN 47542
Dispatch: 812-683-4111 Station: 812-683-3003 Fax: 812-683-4503
hpd@huntingburg-in.gov

6/12/14 → Todd Williams

City of Huntingburg
CC/UB meeting

6/12/14

7:30 pm

Exhibit C

LADD ENGINEERING, INC.

June 12, 2014

John Sullivan, Production Mgr.
Utility Service Co., Inc.
900 Country Creek Dr.
New Lenox, IL 60451
VIA EMAIL

Re: South Elevated Water Storage Tank Improvements Project
Huntingburg, IN

Dear Mr. Sullivan:

This letter will serve as our notification of defective work as required by Article 13 of the Standard General Conditions of the Construction Contract. This defective work includes non-adherence of the intermediate TNEMEC Series 27 coating to the existing top coat on the tank exterior. The following information has been obtained to date regarding this situation:

- Approximately 75% of the tank exterior has been coated with the Series 27 and a considerable amount of this area has wrinkles and is loosely adhered
- The paint crew, consisting of Hispanics who could not speak English, were aware that the paint was not adhering properly yet continued to apply it per our inspector
- The Superintendent was not on the job site. Article 6.01 of the Standard General Conditions of the Construction Contract requires a competent resident superintendent
- Based on a sample of the existing topcoat obtained and tested by TNEMEC, the coating was light on mils and this resulted in pinholes, which is the reason that the (primer) Series 27 does not adhere properly
- According to TNEMEC, the existing topcoat needs to be removed before applying the Series 27 then the finish Series 1074 coat applied
- Your proposal is to pole sand the wrinkled Series 27 areas then apply the complete Series 1074 finish coat and you are requesting an additional \$8,000 to complete this work, which includes remobilization. You expressed an unwillingness to provide a 10-year guarantee with this proposal.
- Considering that the Series 27 was not adhering, the paint crew should have stopped work and reported the situation to the Owner, Engineer or Inspector

1127 Brookside Drive, Lebanon, IN 46052, (765) 482-9219, Fax (765) 482-9224

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- Had the paint crew reported the situation and the analysis of the existing top coat undertaken at that time, most likely a more aggressive surface preparation would have been identified and a change order negotiated

Considering the information obtained, the following comments are offered:

- Since the paint crew was aware of the Series 27 wrinkling but continued to apply it, the Owner should not be responsible for paying for its removal, nor its application, as it is deemed faulty
- The following instructions are provided to complete the tank exterior:
 1. Brush-Blast Clean the entire exterior in accordance with SSPC-SP7/NACE 4.
 2. Apply the Series 27 followed by the Series 1074 as specified in Technical Specification Section 09900, 5.5

It is our opinion that the only increased cost due to Utility Service Co., Inc. would be for the more aggressive surface preparation. Therefore, we would request a cost and timeline for revising the surface preparation and a credit for the material and labor used in applying the Series 27 to the tank exterior. Considering that time is of the essence since several customers on the distribution system are experiencing low pressures with the tank out of service, and the contract time for substantial completion is nearing, it is requested that this cost and timeline adjustment be provided to the Engineer by June 16, 2014. If this situation cannot be rectified and all work complete very soon then your company will need to install the mixer, fill, disinfect and put the tank back on line. Therefore, please provide a cost to disinfect the tank later this summer in case the decision is made by the Owner to put the tank back on line next week.

Should you have any questions, feel free to contact me at 765-482-9219.

Sincerely,

Gary D. Ladd, P.E., President
Ladd Engineering, Inc.

Xc: Todd Williams, City of Huntingburg
Mick Clouse, Clouse Inspection Services
Travelers Casualty & Surety Company of America
Philip Schneider, City Attorney
File